

PUBLIC DISCLOSURE

January 21, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Springfield First Community Bank
RSSD# 3804535

2006 South Glenstone Avenue
Springfield, Missouri 65804

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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BANK'S CRA RATING

Springfield First Community Bank is rated: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Springfield First Community Bank has a satisfactory record of meeting the credit needs of its assessment area in a manner consistent with its resources and operating philosophy. The loan-to-deposit (LTD) ratio is more than reasonable when compared to the ratios of similarly situated institutions. A majority of the bank's loans are originated within the bank's assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the bank's assessment area. In addition, the bank's lending activity also exhibits reasonable penetration of loans among borrowers of different income levels and to businesses of different revenue sizes. Neither Springfield First Community Bank nor this Reserve Bank have received any CRA-related complaints since the previous Community Reinvestment Act (CRA) evaluation.

Springfield First Community Bank's community development performance demonstrates adequate responsiveness to the needs of its assessment area through community development loans, qualified investments, and community development services. This performance is appropriate considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) *Interagency Examination Procedures for Intermediate Small Banks*, which assigns an overall rating based on an assessment of the bank's performance under two equally weighted tests: the lending test and the community development test. The bank's CRA performance was evaluated in the context of information about the institution and its assessment area including asset size, financial condition, competition, and economic and demographic characteristics.

For the lending test, the evaluation focused on the most prevalent lending products by number of originations, which consisted of the bank's Home Mortgage Disclosure Act (HMDA) loans originated in 2017 and 2018, as well as the bank's small business loans originated in 2018. These products were considered the bank's major product lines through discussions with bank management, a review of the September 30, 2019 Reports of Condition and Income (Call Report), and a review of the number of outstanding loan originations since the previous CRA evaluation. Both products were weighted equally in the analysis.

Performance in the assessment area was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 13 quarter average loan-to-deposit ratio was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank’s HMDA-reportable loans originated from January 1, 2017 to December 31, 2018, and a sample of small business loans originated from January 1, 2018 to December 31, 2018 were reviewed to determine the percentage of loans originated within the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s HMDA-reportable loans originated within the assessment area, from January 1, 2017 to December 31, 2018 and a sample of small business loans originated within the assessment area, from January 1, 2018 to December 31, 2018, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Borrowers of Different Incomes and to Businesses of Different Sizes*** – The bank’s HMDA-reportable loans originated within the assessment area, from January 1, 2017 to December 31, 2018 and a sample of small business loans originated within the assessment area, from January 1, 2018 to December 31, 2018, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes, specifically those with annual revenues of \$1 million or less.
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.
- ***Community Development Activities*** – The bank’s responsiveness to community development needs through community development loans, qualified investments, and community development services, from October 24, 2016 to January 20, 2020 were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, two interviews with community representatives were conducted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. Contacts represented organizations involved with affordable housing and economic development.

DESCRIPTION OF INSTITUTION

Springfield First Community Bank is located in Springfield, Missouri. The bank primarily serves the southwestern portion of Missouri, which includes the Springfield, Missouri Metropolitan

Statistical Area (MSA) #44180. Springfield is the third largest city in the state of Missouri and serves as the county seat for Greene County, Missouri. The bank is wholly owned by QCR Holdings, Inc., a four bank holding company headquartered in Moline, Illinois. The bank operates one full-service location, and a loan production office, both in the City of Springfield, Missouri. Additionally the bank operates one automatic teller machine (ATM) located at its main office in Springfield. No branches or ATMs have been opened or closed since the previous evaluation, however since the previous evaluation, the bank was purchased by QCR Holdings, Inc. Aside from the holding company purchase, no significant structural changes such as mergers, acquisitions, or divestitures have occurred.

The bank also maintains a website (<https://sfc.bank>) that provides information on loan and deposit products, applications, other bank services, and access to online banking. Online and mobile banking allow customers to view account balances, view check images, transfer funds, make bill and loan payments, and locate the office and ATM.

According to the Uniform Bank Performance Report (UBPR), as of September 30, 2019, the bank reported total assets of \$695 million. The bank offers traditional residential real estate, commercial, consumer, and agricultural loan products. In addition, the bank offers traditional deposit accounts such as checking, savings, money market deposit accounts and certificates of deposit.

The following table presents the bank's loan portfolio composition as of September 30, 2019.

| Composition of Loan Portfolio (\$ are in 000s) | | |
|--|----------------|--------------|
| Type | \$ | % |
| Residential RE | 86,187 | 16.4 |
| Commercial | 408,472 | 77.6 |
| Agriculture | 4,543 | 0.9 |
| Consumer | 4,174 | 0.8 |
| Other | 23,090 | 4.4 |
| Total Loans | 526,466 | 100.0 |
| <i>Note: Percentage may not total 100.0 percent due to rounding.</i> | | |

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated satisfactory under the CRA at its previous evaluation conducted on October 24, 2016.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area, as a portion of the Springfield, MO MSA, is comprised of the City of Springfield, Missouri, in Greene County, Missouri. The assessment area does not include

Christian, Dallas, Polk and Wester County all part of the Springfield, MO MSA. The Springfield, MO MSA assessment area is comprised of five low-, 19 moderate-, 16 middle-, 11 upper-, and one unknown-income census tracts. The unknown-income census tract is due to the location of Missouri State University in this census tract. The assessment area contains no majority-minority census tracts. Furthermore, the assessment area remains unchanged from the previous evaluation.

The bank's sole office is located in Springfield, Missouri, along with the bank's lone ATM and loan production office.

The June 30, 2019 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report ranked Springfield First Community Bank sixth of 28 FDIC-insured depository institutions operating in the bank's assessment area. The top institution maintains a market share of 20.3 percent, with institutions ranking second through fifth maintaining market shares ranging from 11.9 to 7.3 percent. As a result, the bank's 6.0 percent deposit market share demonstrates a competitive presence with those higher ranking institutions in the market. Great Southern Bank and Commerce Bank held the top two positions in deposit market share during the review period.

As shown in the Census Tract Designation Changes table below, there have been changes in the census tract income level designations since the prior evaluation.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey (ACS) and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2016 and 2017. Lending activity performed in 2017 and later are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

| Census Tract Designation Changes American Community Survey Data (ACS) | | | |
|--|-----------------------|-----------------------|----------------|
| Tract Income Designation | 2016 Designations (#) | 2017 Designations (#) | Net Change (#) |
| Low | 3 | 5 | +2 |
| Moderate | 18 | 19 | +1 |
| Middle | 16 | 16 | 0 |
| Upper | 13 | 11 | -2 |
| Unknown | 0 | 1 | +1 |
| Total | 50 | 52 | +2 |
| Source: U.S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 | | | |

| Assessment Area: 2018 Springfield, MO 44180 | | | | | | | | |
|---|---------------------------------|------------------------|------------------------------------|--------------|--|--------------|---------------------------|--------------|
| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
| | # | % | # | % | # | % | # | % |
| Low-income | 5 | 9.6 | 3,596 | 6.8 | 1,359 | 37.8 | 12,179 | 22.9 |
| Moderate-income | 19 | 36.5 | 14,929 | 28.1 | 3,367 | 22.6 | 9,972 | 18.8 |
| Middle-income | 16 | 30.8 | 17,049 | 32.1 | 1,967 | 11.5 | 10,491 | 19.7 |
| Upper-income | 11 | 21.2 | 17,537 | 33.0 | 787 | 4.5 | 20,510 | 38.6 |
| Unknown-income | 1 | 1.9 | 41 | 0.1 | 20 | 48.8 | 0 | 0.0 |
| Total Assessment Area | 52 | 100.0 | 53,152 | 100.0 | 7,500 | 14.1 | 53,152 | 100.0 |
| | Housing Units by Tract | Housing Types by Tract | | | | | | |
| | | Owner-Occupied | | | Rental | | Vacant | |
| | | # | % | % | # | % | # | % |
| Low-income | 8,670 | 2,477 | 4.8 | 28.6 | 5,134 | 59.2 | 1,059 | 12.2 |
| Moderate-income | 34,433 | 11,618 | 22.3 | 33.7 | 18,924 | 55.0 | 3,891 | 11.3 |
| Middle-income | 33,475 | 17,579 | 33.8 | 52.5 | 13,629 | 40.7 | 2,267 | 6.8 |
| Upper-income | 26,576 | 20,339 | 39.1 | 76.5 | 4,992 | 18.8 | 1,245 | 4.7 |
| Unknown-income | 777 | 16 | 0.0 | 2.1 | 628 | 80.8 | 133 | 17.1 |
| Total Assessment Area | 103,931 | 52,029 | 100.0 | 50.1 | 43,307 | 41.7 | 8,595 | 8.3 |
| | Total Businesses by Tract | | Businesses by Tract & Revenue Size | | | | | |
| | | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | |
| | # | % | # | % | # | % | # | % |
| Low-income | 429 | 3.9 | 380 | 3.9 | 48 | 4.1 | 1 | 1.4 |
| Moderate-income | 4,134 | 37.4 | 3,506 | 35.7 | 600 | 51.2 | 28 | 40.6 |
| Middle-income | 3,720 | 33.6 | 3,364 | 34.2 | 339 | 28.9 | 17 | 24.6 |
| Upper-income | 2,730 | 24.7 | 2,527 | 25.7 | 181 | 15.5 | 22 | 31.9 |
| Unknown-income | 50 | 0.5 | 46 | 0.5 | 3 | 0.3 | 1 | 1.4 |
| Total Assessment Area | 11,063 | 100.0 | 9,823 | 100.0 | 1,171 | 100.0 | 69 | 100.0 |
| | Percentage of Total Businesses: | | | 88.8 | | 10.6 | | .6 |
| | Total Farms by Tract | | Farms by Tract & Revenue Size | | | | | |
| | | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | |
| | # | % | # | % | # | % | # | % |
| Low-income | 1 | 1.4 | 1 | 1.4 | 0 | 0.0 | 0 | 0.0 |
| Moderate-income | 24 | 33.3 | 22 | 31.4 | 2 | 100.0 | 0 | 0.0 |
| Middle-income | 17 | 23.6 | 17 | 24.3 | 0 | 0.0 | 0 | 0.0 |
| Upper-income | 30 | 41.7 | 30 | 42.9 | 0 | 0.0 | 0 | 0.0 |
| Unknown-income | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Assessment Area | 72 | 100.0 | 70 | 100.0 | 2 | 100.0 | 0 | .0 |
| | Percentage of Total Farms: | | | 97.2 | | 2.8 | | .0 |

Population Characteristics

The table below shows the population trends for the bank's assessment area (City of Springfield, MO), the Springfield, MO MSA, Greene County, and State of Missouri from 2010 to 2015. According to the 2015 U.S. Census Bureau demographic data, the assessment area's population was 225,692 which represents an approximate 8.0 percent growth from 2010. The entire Springfield, MO MSA, Greene County, and the State of Missouri all experienced growth during the same time period, however none grew by percentages similar to the city of Springfield. A community representative noted population growth is a conscious effort of the City of Springfield's Chamber of Commerce to not only attract people to the area, but also retain existing residents, such as young professionals.

| Population Change | | | |
|---|-----------------|-----------------|--------------------|
| Area | 2010 Population | 2015 Population | Percent Change (%) |
| Assessment Area (City of Springfield) | 209,053 | 225,692 | +8.0 |
| Greene County | 275,174 | 283,206 | +2.9 |
| Springfield, MO MSA | 436,712 | 448,471 | +2.7 |
| State of Missouri | 5,988,927 | 6,045,448 | +0.9 |
| Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010 U.S. Census Bureau: American Community Survey Data: 2011-2015 | | | |

Income Characteristics

According to the 2018 FFIEC Census data, the assessment area is comprised of 53,152 families, of which 22.9 percent were designated as low-income, and 18.8 percent were moderate-income. 14.1 percent of families residing within the assessment area live below the poverty line, which is slightly above the State of Missouri poverty rate at 11.1 percent.

The table below compares the median family income for the assessment area to not only the entire Springfield, MO MSA, but also Greene County and the State of Missouri. According to the 2011-2015 Census Bureau data, median family income (MFI) in the assessment area is comparable to both the entire Springfield, MO MSA and Greene County, but still below the MFI for the State of Missouri. In addition, the overall growth of MFI in the assessment area is below the entire MSA, Greene County and the State of Missouri. A community contact stated that the lower median family income is due to the lower costs of living in the Springfield area compared to other urban cities.

| Median Family Income Change 2006-2010 and 2011-2015 | | | |
|---|---|--|--------------------------|
| Area | 2010 Median Family Income (In 2010 Dollars) | 2011-2015 Median Family Income (In 2015 Dollars) | Percentage Change (%) |
| Assessment Area (City of Springfield) | 51,359 | 52,434 | +2.1 |
| Greene County | 53,044 | 54,576 | +2.9 |
| Springfield, MO MSA | 52,463 | 54,948 | +4.7 |
| State of Missouri | 57,661 | 60,809 | +5.5 |
| Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010 U.S. Census Bureau: American Community Survey Data: 2011-2015 | | | |

Housing Characteristics and Affordability

The table below presents recent trends in housing costs within the assessment area and the State of Missouri. Within the assessment area, there are a total of 103,931 housing units. Owner-occupied units represent 50.1 percent of the total housing units in the assessment area, while rental units represent 41.7 percent. Housing units reported as vacant represent 8.3 percent, which falls below the vacancy rate for the State of Missouri at 13.4 percent.

According to the 2011-2015 American Community Survey, the assessment area median housing value of \$125,497 remains below that of the State of Missouri at \$138,400. Median gross rent values in the assessment area are comparable to the entire MSA, as well as Greene County, and below that for the State of Missouri. A community representative stated that although housing is affordable in the assessment area, available affordable housing stock is lacking.

A common method to compare affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio supports more affordable housing opportunities. Based on the 2011-2015 American Community Survey data, the affordability ratio for the assessment area of approximately 0.31 is comparable to the affordability ratio for Greene County at 0.32, as well as the entire MSA at 0.33, and the State of Missouri at 0.35. This data supports statements from a community contact that the Springfield area is an affordable community in which to reside.

| Housing Costs Change | | | | |
|--|--------------------------------------|--------------------------------------|--------------------------------|--------------------------------|
| Location | 2010 Median Housing Value (\$) | 2015 Median Housing Value (\$) | 2010 Median Gross Rent (\$) | 2015 Median Gross Rent (\$) |
| Assessment Area (City of Springfield) | 123,239 | 125,497 | 629 | 692 |
| Springfield, MO MSA | 127,627 | 129,482 | 630 | 696 |
| Greene County | 125,500 | 129,400 | 633 | 701 |
| State of Missouri | 137,700 | 138,400 | 667 | 746 |
| Source: 2006-2010 — U.S. Census Bureau: American Community Survey 2011-2015 — U.S. Census Bureau: American Community Survey | | | | |

Foreclosure Trends

The Federal Reserve Bank of Chicago conducted a study on changes in foreclosure inventory rates at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure. Overall, foreclosure inventory rates in the state and assessment area have declined since the previous evaluation, indicating that the housing crisis that affected much of the nation, including the assessment area, has abated. As of July 2018, the Greene County foreclosure inventory rate was 0.2 percent, which is comparable to the foreclosure inventory rate of the state of Missouri at 0.4 percent.

Employment Conditions

The following table presents the unemployment trends in the assessment area, the entire Springfield, MO MSA, Greene County and the State of Missouri from 2013 to 2016. There has been a steady decline in unemployment rates from 2013 to 2016 in both the entire MSA and Greene County, which is directly aligned with unemployment trends in the State of Missouri. As of 2016, the unemployment rate was 4.1 percent for the assessment area, 4.0 percent for the entire MSA, 3.8 percent for Greene County, and 4.5 percent for the State of Missouri. A community representative noted that there is a shortage of workers in the assessment area. Local businesses are facing expansion challenges due to an absence of available and properly skilled workers. The local chamber of commerce is working with community colleges to benefit the area by minimizing the shortage.

| Unemployment Rates (%) | | | | |
|--|------|------|------|------|
| Region | 2013 | 2014 | 2015 | 2016 |
| Assessment Area (City of Springfield) | 5.7 | 5.1 | 4.4 | 4.1 |
| Springfield, MO MSA | 5.6 | 5.1 | 4.4 | 4.0 |
| Greene County | 5.4 | 4.8 | 4.1 | 3.8 |
| State of Missouri | 6.5 | 6.1 | 5.0 | 4.5 |
| Source: Bureau of Labor Statistics: Local Area Unemployment Statistics | | | | |

Industry Characteristics

The following table presents the largest employers operating in the assessment area. The information indicates the assessment area is heavily impacted by medical centers, hospitals, and health services.

| Largest Employers in the Assessment Area | | |
|---|---------------------|---|
| Company | Number of Employees | Industry |
| Lester E Cox Medical Center | 10,000 | Medical Centers |
| Cox Medical Center South | 10,000 | Hospitals |
| Mercy Hospital Springfield | 8,032 | Hospitals |
| St. John's Speech Therapy | 8,000 | Health Services |
| Cox North Hospital | 6,370 | Hospitals |
| Bass Pro Shops | 5,000 | Sporting Goods-Retail |
| Ozarks Technical Community College | 2,000 | Schools – Universities & Colleges Academics |
| Help At Home | 2,000 | Home Health Service |
| Springfield City Admin Office | 1,600 | Government Offices – City |
| Premier Flight Center, LLC | 1,600 | Casinos |
| <i>Source: Business information provided by Infogroup®, Omaha, NE</i> | | |

Community Representatives

Two interviews with community representatives were conducted in connection with this evaluation to gain a perspective of the area needs, specifically areas of economic development and the socio-economic needs of low- and moderate-income families. The representatives noted the two major concerns within the assessment area are a shortage of workers and affordable housing. The affordability in Springfield is very favorable, but in limited stock. Additionally, one contact stated the city is working to not only retain residents, but also attract new individuals to the area, and the assessment area population is benefiting. Local financial institutions are receptive to opportunities for involvement through affordable housing initiatives and support of new businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Springfield First Community Bank's performance relative to the lending test is rated Satisfactory. The bank's loan-to-deposit ratio is more than reasonable given the bank's size, financial condition and assessment area credit needs. A majority of loans are originated in the bank's assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Lastly, the bank's borrower distribution reflects reasonable penetration among individuals of different incomes levels, including low- and moderate-income, and businesses of different sizes.

Loan-to-Deposit Ratio

Springfield First Community Bank's LTD ratio was calculated on a 13-quarter average, from September 30, 2016 through September 30, 2019. The bank's LTD ratio of 106.1 percent is more than reasonable, given the bank's size, financial condition, and assessment area credit needs. The bank's

average LTD ratio was compared to the ratios of six similarly situated institutions, either identified by the bank as local competitors, or identified given similar asset size or portfolio composition. The bank out-performed all six comparable institutions. The more than reasonable performance is supported by the bank's strong core deposit growth, plus adequate sources of secondary and contingent funding.

The following table compares the bank's average LTD ratio for 13 quarters since the previous evaluation dated October 24, 2016. The table also provides the ratios of the six comparable institutions used in the evaluation.

| Comparative Loan-to-Deposit Ratios | |
|------------------------------------|---------------------------|
| Institution | Loan-to-Deposit Ratio (%) |
| | 13 – Quarter Average |
| Springfield First Community Bank | 106.1 |
| Comparable Institutions | |
| Bank of Bolivar | 90.0 |
| Central Bank of the Ozarks | 86.7 |
| Guaranty Bank | 101.0 |
| Mid-Missouri Bank | 87.8 |
| Oakstar Bank | 97.1 |
| Ozark Bank | 74.7 |

Assessment Area Concentration

The following table displays the bank's lending inside and outside the bank's assessment area from January 1, 2017 through December 31, 2018 for the bank's HMDA lending, and a representative sample from January 1, 2018 through December 31, 2018 of the bank's small business loans. Overall, a majority of loans by number volume were originated within the assessment area. By product, the bank originated 54.9 percent of its HMDA loans by number volume and 68.5 percent of its small business loans by number volume. For total loans, the bank originated 56.9 percent by number volume within its assessment area. The bank's lending activity indicates the bank is responding to the credit needs of its community.

| Loan Type | Inside | | | | Outside | | | |
|-------------------------------------|------------|-------------|------------------|-------------|------------|-------------|------------------|-------------|
| | # | % | \$ (000s) | % | # | % | \$ (000s) | % |
| Home Improvement | 5 | 62.5 | \$286 | 76.1 | 3 | 37.5 | \$90 | 23.9 |
| Home Purchase - Conventional | 214 | 57.8 | \$39,212 | 54.1 | 156 | 42.2 | \$33,281 | 45.9 |
| Home Purchase - FHA | 38 | 41.8 | \$5,347 | 41.7 | 53 | 58.2 | \$7,469 | 58.3 |
| Home Purchase - VA | 6 | 35.3 | \$1,048 | 37.4 | 11 | 64.7 | \$1,756 | 62.6 |
| Multi - Family Housing | 13 | 52.0 | \$49,669 | 40.4 | 12 | 48.0 | \$73,212 | 59.6 |
| Other Purpose Closed - End | 4 | 80.0 | \$469 | 72.3 | 1 | 20.0 | \$180 | 27.7 |
| Refinancing | 60 | 58.3 | \$11,092 | 53.9 | 43 | 41.7 | \$9,488 | 46.1 |
| Total HMDA related | 340 | 54.9 | \$107,123 | 46.1 | 279 | 45.1 | \$125,476 | 53.9 |
| Small Business | 74 | 68.5 | \$20,042 | 76.6 | 34 | 31.5 | \$6,135 | 23.4 |
| Total Small Business related | 74 | 68.5 | \$20,042 | 76.6 | 34 | 31.5 | \$6,135 | 23.4 |
| Total Loans | 414 | 56.9 | \$127,165 | 49.1 | 313 | 43.1 | \$131,611 | 50.9 |

Geographic Distribution of Loans

For the purposes of this review, loans made in calendar years up to and including 2016 were analyzed based on income designations from the 2006-2010 American Community Survey data¹. Loans made in calendar years 2017 and after were analyzed based on income designations from the 2011-2015 American Community Survey data.

Springfield First Community Bank's geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The analysis includes both HMDA-reportable and small business loans; the analysis focuses on loan distribution in low- and moderate income census tracts in the bank's assessment area.

As part of the evaluation, a gap analysis was completed. As of 2018, Springfield First Community Bank's assessment area is comprised of 52 census tracts including five low-, 19 moderate-, 16 middle-, 11 upper-, and one unknown income census tracts. The analysis indicates the bank originated HMDA loans in all 11 upper-income census tracts within the assessment area, but failed to originate HMDA-reportable loans in two low- and six moderate-income tracts, as well as three of the middle-income tracts. The analysis of small business loans showed the bank lacked dispersion in all five of the bank's low-income census tracts, 11 of the 19 moderate-income tracts, seven middle-income census tracts and five of the upper-income tracts. Similarly in 2017, the bank originated HMDA-reportable loans in a majority of the census tracts, with the exception of three low-income and seven moderate-income tracts. Within the low- and moderate-income census tracts only 28.6 percent and 33.7 percent of the housing is owner occupied, respectively, limiting lending opportunities for the bank. Lending opportunities are limited further due to the percentages of families living below the poverty level, 37.8 percent and 22.6 percent, respectively

¹ The median family income levels (MFI) for census tracts are calculated using income data from the U.S. Census Bureau's American Community Survey and geographic designations from the Office of Management and Budget and are updated approximately every five years. (.12(m) Income Levels)

that reside within low- and moderate-income census tracts. There are only 3.9 percent of businesses within the assessment area located within low- and moderate-income census tracts, limiting lending opportunities to small businesses. Considering the bank's size, complexity, and limited lending opportunities, loan penetration throughout the assessment area is reasonable.

As previously noted, the lending analysis will be primarily based on the bank's 2018 performance. Tables for the bank's 2017 HMDA-reportable loans are included in Appendix B of this evaluation.

HMDA-Reportable Lending

The bank's geographic distribution of HMDA-reportable loans reflects a reasonable dispersion of lending throughout the assessment area. The majority of the rating weight is placed on the home purchase loans, as they represent the majority of the bank's HMDA-reportable lending. The bank's lending performance is evaluated in comparison to aggregate lender performance and the demographic figures of owner-occupied housing units in the assessment area. Due to low origination volumes of some product types and to provide the most meaningful analysis, home purchase, refinance, and multi-family lending will be evaluated and discussed.

Home Purchase

In 2018, home purchase originations represented 73.3 percent of the bank's total HMDA-reportable originations within the assessment area. By number volume, the bank originated 3.3 percent of its home purchase loans in the low-income census tracts, which is comparable to both the aggregate figure of 4.4 percent and demographic figure of 4.8 percent. The bank's lending in moderate-income tracts, at 15.7 percent, fell below both the aggregate and demographic figures of 22.5 and 22.3 percent, respectively. Lending in middle-income census tracts, at 31.4 percent, was comparable to both the aggregate and owner-occupied units at 35.4 percent and 33.8 percent, respectively. The bank originated 49.6 percent of its home purchase loans in upper-income census tracts, which exceeded both the aggregate at 37.7 percent, and the owner-occupied units in upper-income census tracts in the assessment area at 39.1 percent.

The bank's geographic distribution of 2017 HMDA loans was consistent with the bank's 2018 performance. Distribution of loans among all income level tracts was comparable with both the aggregate lender and demographic percentages of owner-occupied units.

Refinance

In 2018, refinance loans represented 17.6 percent of the bank's total HMDA-reportable loan originations in the assessment area. The bank originated 3.4 percent of its refinance loans in the low-income census tracts, which is comparable to both the aggregate lending and the demographic figures of 5.2 percent and 4.8 percent, respectively. The bank's distribution of refinance loans in the moderate-income census tracts, at 13.8 percent, is below both aggregate lending at 22.6 percent,

and the demographic figure at 22.3 percent. Lending in middle-income census tracts, at 27.6 percent, is comparable to both the aggregate lender rate of 32.6 percent and similar to the owner-occupied units in middle-income census tracts at 33.8 percent. The bank originated 55.2 percent of its refinance loans in upper-income census tracts, which significantly exceeds the aggregate lender rate of 39.5 percent and the demographic figure of 39.1 percent.

The bank's geographic distribution of 2017 HMDA refinance loans was below the bank's performance for 2018. Lending in the low-, moderate- and upper-income census tracts all fell below that of the aggregate lending and demographic figures, while lending in the middle-income census tracts significantly exceeded both the aggregate and demographic figures.

Multi-Family

In 2018, multi-family loans represented only 5.5 percent of the bank's total HMDA-reportable loan originations in the assessment area. The bank did not originate any multi-family loans in the low-income tracts, and only one loan each in the moderate- and upper-income census tracts. Performance in both the low- and moderate-income census tracts fell significantly below the performance of aggregate lending and demographic figures. The bank's performance in the upper-income census tracts was consistent with the aggregate and demographic figures. The bank originated 66.7 percent of its multi-family loans in middle-income census tracts, which significantly exceeds both the aggregate lenders at 41.8 percent and demographic figure at 30.3 percent. Lastly, the bank originated one loan within the unknown-income census tract.

In 2017, the bank only originated four HMDA reportable multi-family loans. The limited volume of loans will not provide a meaningful comparison to the bank's 2018 performance.

| Geographic Distribution of HMDA Reportable Loans Assessment Area: 2018 Springfield, MO MSA 44180 | | | | | | | | |
|---|---------------------|---|-------|-------|-------------|-------|-------|---------------------------|
| Product Type | Tract Income Levels | Bank & Aggregate Lending Comparison 2018 | | | | | | Owner Occupied % of Units |
| | | Count Bank | | Agg % | Dollar Bank | | Agg % | |
| | | # | % | | \$ (000s) | \$ % | | |
| Home Purchase | Low | 4 | 3.3 | 4.4 | 288 | 1.3 | 2.2 | 4.8 |
| | Moderate | 19 | 15.7 | 22.5 | 1,719 | 8.0 | 13.6 | 22.3 |
| | Middle | 38 | 31.4 | 35.4 | 6,306 | 29.3 | 31.8 | 33.8 |
| | Upper | 60 | 49.6 | 37.7 | 13,178 | 61.3 | 52.3 | 39.1 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 121 | 100.0 | 100.0 | 21,491 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 1 | 3.4 | 5.2 | 92 | 1.6 | 2.8 | 4.8 |
| | Moderate | 4 | 13.8 | 22.6 | 278 | 5.0 | 13.7 | 22.3 |
| | Middle | 8 | 27.6 | 32.6 | 982 | 17.6 | 29.3 | 33.8 |
| | Upper | 16 | 55.2 | 39.5 | 4,226 | 75.8 | 54.1 | 39.1 |
| | Unknown | 0 | 0.0 | 0.1 | 0 | 0.0 | 0.1 | 0.0 |
| | Total | 29 | 100.0 | 100.0 | 5,578 | 100.0 | 100.0 | 100.0 |
| Home Improvement | Low | 1 | 50.0 | 4.4 | 46 | 54.1 | 5.1 | 4.8 |
| | Moderate | 1 | 50.0 | 17.2 | 39 | 45.9 | 14.8 | 22.3 |
| | Middle | 0 | 0.0 | 32.5 | 0 | 0.0 | 27.7 | 33.8 |
| | Upper | 0 | 0.0 | 45.8 | 0 | 0.0 | 52.4 | 39.1 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 2 | 100.0 | 100.0 | 85 | 100.0 | 100.0 | 100.0 |
| Multi-Family | Low | 0 | 0.0 | 8.2 | 0 | 0.0 | 6.1 | Multi-Family 10.0 |
| | Moderate | 1 | 11.1 | 34.5 | 1,899 | 6.3 | 31.8 | |
| | Middle | 6 | 66.7 | 41.8 | 4,136 | 13.8 | 28.2 | |
| | Upper | 1 | 11.1 | 11.8 | 23,570 | 78.8 | 17.3 | |
| | Unknown | 1 | 11.1 | 3.6 | 320 | 1.1 | 16.6 | |
| | Total | 9 | 100.0 | 100.0 | 29,925 | 100.0 | 100.0 | |
| Other Purpose LOC | Low | 0 | 0.0 | 3.3 | 0 | 0.0 | 1.7 | 4.8 |
| | Moderate | 0 | 0.0 | 10.9 | 0 | 0.0 | 7.6 | 22.3 |
| | Middle | 0 | 0.0 | 30.8 | 0 | 0.0 | 25.4 | 33.8 |
| | Upper | 0 | 0.0 | 55.0 | 0 | 0.0 | 65.3 | 39.1 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| Other Purpose Closed/Exempt | Low | 0 | 0.0 | 5.0 | 0 | 0.0 | 1.9 | 4.8 |
| | Moderate | 0 | 0.0 | 15.8 | 0 | 0.0 | 9.1 | 22.3 |
| | Middle | 2 | 50.0 | 33.7 | 121 | 25.8 | 27.6 | 33.8 |
| | Upper | 2 | 50.0 | 45.5 | 348 | 74.2 | 61.5 | 39.1 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 4 | 100.0 | 100.0 | 469 | 100.0 | 100.0 | 100.0 |
| Loan Purpose Not Applicable | Low | 0 | 0.0 | 11.1 | 0 | 0.0 | 6.6 | 4.8 |
| | Moderate | 0 | 0.0 | 28.5 | 0 | 0.0 | 18.9 | 22.3 |
| | Middle | 0 | 0.0 | 35.4 | 0 | 0.0 | 34.7 | 33.8 |
| | Upper | 0 | 0.0 | 25.0 | 0 | 0.0 | 39.8 | 39.1 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| HMDA Totals | Low | 6 | 3.6 | 4.7 | 426 | 0.7 | 3.2 | 4.8 |
| | Moderate | 25 | 15.2 | 22.2 | 3,935 | 6.8 | 17.4 | 22.3 |
| | Middle | 54 | 32.7 | 34.6 | 11,545 | 20.1 | 30.5 | 33.8 |
| | Upper | 79 | 47.9 | 38.3 | 41,322 | 71.8 | 45.5 | 39.1 |
| | Unknown | 1 | 0.6 | 0.1 | 320 | 0.6 | 3.5 | 0.0 |
| | Total | 165 | 100.0 | 100.0 | 57,548 | 100.0 | 100.0 | 100.0 |
| Originations & Purchases | | | | | | | | |
| 2016 FFIEC Census Data | | | | | | | | |
| Note: Percentages may not add to 100.0 percent due to rounding | | | | | | | | |

Small Business Lending

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. Although the bank did not originate any small business loans in the low-income census tracts, only 3.9 percent of total businesses are located within those tracts, so opportunity is significantly limited. The bank's lending in the moderate-income census tracts however, at 48.6 percent, exceeded the total businesses, at 37.4 percent, in those same tracts. Within the middle- and upper-income census tracts, the bank originated 25.7 percent each of its small business loans, which is generally consistent with total businesses in those tract income levels. The following table shows the bank's geographic distribution of small business loans in 2018.

| Geographic Distribution of Small Business Loans | | | | | | |
|--|---------------------|-------------------------------|-------|-------------|-------|------------------|
| Assessment Area: 2018 Springfield, MO MSA 44180 | | | | | | |
| | Tract Income Levels | Bank & Demographic Comparison | | | | |
| | | 2018 | | | | Total Businesses |
| | | Count Bank | | Dollar Bank | | |
| | | # | % | \$ 000s | \$ % | |
| Small Business | Low | 0 | 0.0 | 0 | 0.0 | 3.9 |
| | Moderate | 36 | 48.6 | 8,303 | 41.4 | 37.4 |
| | Middle | 19 | 25.7 | 5,092 | 25.4 | 33.6 |
| | Upper | 19 | 25.7 | 6,646 | 33.2 | 24.7 |
| | Unknown | 0 | 0.0 | 0 | 0.0 | 0.5 |
| | Total | 74 | 100.0 | 20,042 | 100.0 | 100.0 |
| 2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS | | | | | | |
| Note: Percentages may not add to 100.0 percent due to rounding | | | | | | |

Lending to Borrowers of Different Income Levels and to Businesses of Different Revenue Sizes

For the purposes of this review, loans made in calendar year 2016 or before were analyzed based on 2006-2010 American Community Survey income designations for individuals². Loans made in calendar year 2017 or after were analyzed based on 2011-2015 American Community Survey income designations for individuals.

Overall the borrower distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes. Also, as previously noted, the lending analysis will be primarily based on the bank's 2018 performance. Tables for the bank's 2017 HMDA- reportable lending are included in Appendix B of this evaluation.

² Income levels for individuals are calculated annually by the FFIEC using geographic definitions from the OMB, income data from the ACS and the Consumer Price Index from the Congressional Budget Office (.12(m) Income Levels).

HMDA-Reportable Lending

The bank's borrower distribution of HMDA-reportable loans is reasonable, driven by the penetration of home purchase loans among low- and moderate-income borrowers. The majority of the rating weight is placed on the home purchase loans, as they represent the majority of the bank's HMDA lending. Home improvement and multi-family loans will not undergo additional analysis. Home improvement loans have insufficient volume, while multi-family loans are only to borrowers of unknown income, therefore neither product would provide meaningful analysis.

Home Purchase

In 2018, home purchase loans represented 73.3 percent of the bank's total HMDA-reportable loans in the assessment area. The bank originated 6.6 percent of its home purchase loans to low-income borrowers, which is comparable to the aggregate of lenders at 8.0 percent; however, the bank's performance was significantly below the percentage of low-income families located in the assessment area at 22.9 percent. While the bank's performance was below area demographics, 14.1 percent of the families living the assessment area are below the poverty level, limiting lending opportunities. The bank originated 15.7 percent of its home purchase loans to moderate-income borrowers, which is comparable to both the aggregate lender rate of 17.9 percent and the demographic figure at 18.8 percent. The bank's origination of HMDA-reportable home purchase loans to borrowers of both middle- and upper-income exceeded both the aggregate and demographic figures. The bank originated 21.5 percent of home purchase loans to middle-income borrowers compared to 18.8 percent originated by aggregate lenders and 19.7 percent of middle-income families within the assessment area. An additional 46.3 percent of home purchase loans were originated to upper-income borrowers compared to 32.7 percent originated by aggregate lenders and 38.6 percent of upper-income families located within the assessment area.

The bank's origination of 2017 HMDA-reportable home purchase loans to borrowers of different income levels is consistent with the bank's 2018 performance.

Refinance

In 2018, refinance loans represented 17.6 percent of the bank's total HMDA-reportable loans in the assessment area. The bank did not originate any refinance loans to low-income borrowers, compared to aggregate lending at 8.9 percent and the demographic figure of 22.9 percent. Lending to the moderate-income borrowers at 6.9 percent was also below both the aggregate lender rate of 16.3 percent and the percentage of moderate-income families located in the assessment area at 18.8 percent. The bank originated 10.3 percent of its refinance loans to middle-income borrowers, below the aggregate lender rate of 17.0 percent and the percentage of middle-income families located in the assessment area at 19.7 percent. The bank originated 58.6 percent of its refinance loans to upper-income borrowers, which exceeded the aggregate lender rate of 33.2 percent and

the demographic figure at 38.6 percent.

The bank's 2017 origination of HMDA-reportable refinance loans exceeds performance from 2018. The bank's lending in the low- and moderate-income census tracts was consistent with aggregate lending.

The following table summarizes the bank's 2018 HMDA-reportable lending in the assessment area.

| Borrower Distribution of HMDA Reportable Loans Assessment Area: 2018 Springfield, MO MSA 44180 | | | | | | | | |
|---|---------------------------|-------------------------------------|-------|----------|----------------|-------|----------|------------------------------|
| Product Type | Borrower Income Levels | Bank & Aggregate Lending Comparison | | | | | | Families by Family Income |
| | | 2018 | | | | | | |
| | | Count Bank | | Agg % | Dollar Bank | | Agg % | |
| | | # | % | % | \$(000s) | \$ % | \$ % | |
| Home Purchase | Low | 8 | 6.6 | 8.0 | 604 | 2.8 | 4.2 | 22.9 |
| | Moderate | 19 | 15.7 | 17.9 | 2,328 | 10.8 | 12.9 | 18.8 |
| | Middle | 26 | 21.5 | 18.8 | 3,728 | 17.3 | 17.2 | 19.7 |
| | Upper | 56 | 46.3 | 32.7 | 12,049 | 56.1 | 44.1 | 38.6 |
| | Unknown | 12 | 9.9 | 22.6 | 2,782 | 12.9 | 21.6 | 0.0 |
| | Total | 121 | 100.0 | 100.0 | 21,491 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 0 | 0.0 | 8.9 | 0 | 0.0 | 4.8 | 22.9 |
| | Moderate | 2 | 6.9 | 16.3 | 200 | 3.6 | 11.2 | 18.8 |
| | Middle | 3 | 10.3 | 17.0 | 441 | 7.9 | 13.2 | 19.7 |
| | Upper | 17 | 58.6 | 33.2 | 4,039 | 72.4 | 46.2 | 38.6 |
| | Unknown | 7 | 24.1 | 24.6 | 898 | 16.1 | 24.6 | 0.0 |
| | Total | 29 | 100.0 | 100.0 | 5,578 | 100.0 | 100.0 | 100.0 |
| Home Improvement | Low | 0 | 0.0 | 8.4 | 0 | 0.0 | 5.1 | 22.9 |
| | Moderate | 0 | 0.0 | 14.8 | 0 | 0.0 | 10.6 | 18.8 |
| | Middle | 0 | 0.0 | 18.7 | 0 | 0.0 | 14.8 | 19.7 |
| | Upper | 0 | 0.0 | 45.8 | 0 | 0.0 | 55.3 | 38.6 |
| | Unknown | 2 | 100.0 | 12.3 | 85 | 100.0 | 14.2 | 0.0 |
| | Total | 2 | 100.0 | 100.0 | 85 | 100.0 | 100.0 | 100.0 |
| Multi-Family | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 22.9 |
| | Moderate | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 18.8 |
| | Middle | 0 | 0.0 | 0.9 | 0 | 0.0 | 0.6 | 19.7 |
| | Upper | 0 | 0.0 | 2.7 | 0 | 0.0 | 0.3 | 38.6 |
| | Unknown | 9 | 100.0 | 96.4 | 29,925 | 100.0 | 99.1 | 0.0 |
| | Total | 9 | 100.0 | 100.0 | 29,925 | 100.0 | 100.0 | 100.0 |
| Other Purpose LOC | Low | 0 | 0.0 | 9.0 | 0 | 0.0 | 6.9 | 22.9 |
| | Moderate | 0 | 0.0 | 14.7 | 0 | 0.0 | 8.8 | 18.8 |
| | Middle | 0 | 0.0 | 18.0 | 0 | 0.0 | 11.1 | 19.7 |
| | Upper | 0 | 0.0 | 54.5 | 0 | 0.0 | 69.2 | 38.6 |
| | Unknown | 0 | 0.0 | 3.8 | 0 | 0.0 | 3.9 | 0.0 |
| | Total | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| Other Purpose Closed/Exempt | Low | 0 | 0.0 | 10.9 | 0 | 0.0 | 7.8 | 22.9 |
| | Moderate | 1 | 25.0 | 17.8 | 19 | 4.1 | 12.8 | 18.8 |
| | Middle | 0 | 0.0 | 16.8 | 0 | 0.0 | 13.5 | 19.7 |
| | Upper | 3 | 75.0 | 46.5 | 450 | 95.9 | 55.7 | 38.6 |
| | Unknown | 0 | 0.0 | 7.9 | 0 | 0.0 | 10.2 | 0.0 |
| | Total | 4 | 100.0 | 100.0 | 469 | 100.0 | 100.0 | 100.0 |
| Loan Purpose Not Applicable | Low | 0 | 0.0 | 0.7 | 0 | 0.0 | 0.3 | 22.9 |
| | Moderate | 0 | 0.0 | 0.7 | 0 | 0.0 | 0.9 | 18.8 |
| | Middle | 0 | 0.0 | 2.8 | 0 | 0.0 | 2.3 | 19.7 |
| | Upper | 0 | 0.0 | 2.1 | 0 | 0.0 | 0.8 | 38.6 |
| | Unknown | 0 | 0.0 | 93.8 | 0 | 0.0 | 95.7 | 0.0 |
| | Total | 0 | 0.0 | 100.0 | 0 | 0.0 | 100.0 | 100.0 |
| HMDA Totals | Low | 8 | 4.8 | 8.0 | 604 | 1.0 | 3.5 | 22.9 |
| | Moderate | 22 | 13.3 | 16.7 | 2,547 | 4.4 | 9.8 | 18.8 |
| | Middle | 29 | 17.6 | 17.7 | 4,169 | 7.2 | 12.8 | 19.7 |
| | Upper | 76 | 46.1 | 32.9 | 16,538 | 28.7 | 35.4 | 38.6 |
| | Unknown | 30 | 18.2 | 24.6 | 33,690 | 58.5 | 38.5 | 0.0 |
| | Total | 165 | 100.0 | 100.0 | 57,548 | 100.0 | 100.0 | 100.0 |
| Originations & Purchases | | | | | | | | |
| 2016 FFIEC Census Data | | | | | | | | |
| Note: Percentages may not add to 100.0 percent due to rounding | | | | | | | | |

Small Business Lending

The bank's lending to businesses of different revenue sizes is reasonable. Although the bank's lending to businesses with annual revenues of \$1 million or less, at 70.3 percent, is below the total businesses at 88.8 percent, the bank originated over 60.0 percent of its small business loans in amounts of \$250,000 or less. Loans in these amounts are indicative of lending needs of small businesses and furthermore supports the bank's reasonable penetration of lending to small businesses.

The following table shows the bank's distribution of small business loans in 2018.

| Small Business Lending By Revenue & Loan Size Assessment Area: 2018 Springfield, MO MSA 44180 | | | | | | | |
|--|--|-------------------------------|------|----------------|--------|--------------------------|-------|
| Product Type | | Bank & Demographic Comparison | | | | | |
| | | 2018 | | | | Total Businesses % | |
| | | Count Bank | | Dollar Bank | | | |
| # | % | \$ 000s | \$ % | | | | |
| Small Business | Revenue | \$1 Million or Less | 52 | 70.3 | 13,891 | 69.3 | 88.8 |
| | | Over \$1 Million or Unknown | 22 | 29.7 | 6,151 | 30.7 | 11.2 |
| | | Total | 74 | 100.0 | 20,042 | 100.0 | 100.0 |
| | Loan Size | \$100,000 or Less | 25 | 33.8 | 905 | 4.5 | |
| | | \$100,001 - \$250,000 | 23 | 31.1 | 4,303 | 21.5 | |
| | | \$250,001 - \$1 Million | 26 | 35.1 | 14,834 | 74.0 | |
| | | Total | 74 | 100.0 | 20,042 | 100.0 | |
| | Loan Size & Rev \$1 Mill or Less | \$100,000 or Less | 18 | 34.6 | 659 | 4.7 | |
| | | \$100,001 - \$250,000 | 17 | 32.7 | 3,291 | 23.7 | |
| | | \$250,001 - \$1 Million | 17 | 32.7 | 9,941 | 71.6 | |
| | | Total | 52 | 100.0 | 13,891 | 100.0 | |
| | Originations & Purchases | | | | | | |
| | 2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS | | | | | | |
| Note: Percentages may not add to 100.0 percent due to rounding | | | | | | | |

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Satisfactory. The bank's community development performance demonstrates adequate responsiveness to community development needs of its assessment area through community development loans, qualified

investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

The City of Springfield administers four enhanced enterprise zones within the bank's assessment area. Combined, they encompass nearly all of the City of Springfield. The Enhanced Enterprise Zone program encourages business development and job creation by granting property tax abatement to business enterprises that locate or expand within designated enhanced enterprise zones. Businesses are eligible if they operate within specific business clusters that are identified through the city's plan, located within an Enhanced Enterprise Zone and make improvements to their property. The bank received eligible credit for activities within these zones through its community development activities.

Lending

During the review period, the bank originated 19 community development loans for a total of \$63,828,227 within the assessment area. The bank made the majority of its community development loans for the purpose to revitalize and stabilize certain geographies, totaling 16 loans for \$58,500,519. Community representatives stated that additional low-income housing is needed in the area. The institution has been responsive to those needs by originating four community development loans specifically for low-income housing projects totaling \$7,908,838. The bank's current period community development lending far exceeds the previous evaluation by dollar volume. Previously, the bank originated 35 community development loans, but for only \$40,007,000. The bank's efforts continue to positively impact communities within the assessment area.

Investments

The bank made six qualified community development investments to revitalize and stabilize certain geographies during the review period for \$1,222,000, as well as \$80,036 in qualified community development grants for the purposes of affordable housing, economic development and community services. Investments made to improve the local airport, which is located in an Enhanced Enterprise Zone, will have a positive community development impact throughout the assessment area. The amount of qualified investments and grants made during the review period exceeded the dollar volume from the previous evaluation, in which the bank did not originate any qualified investments and made 55 donations for \$57,000.

Services

The bank provided a total of 31 qualified community development services for 389 total hours exceeded the previous evaluation when the bank provided 24 separate services. The qualified activities were particularly responsive for this assessment area as they focused on small business

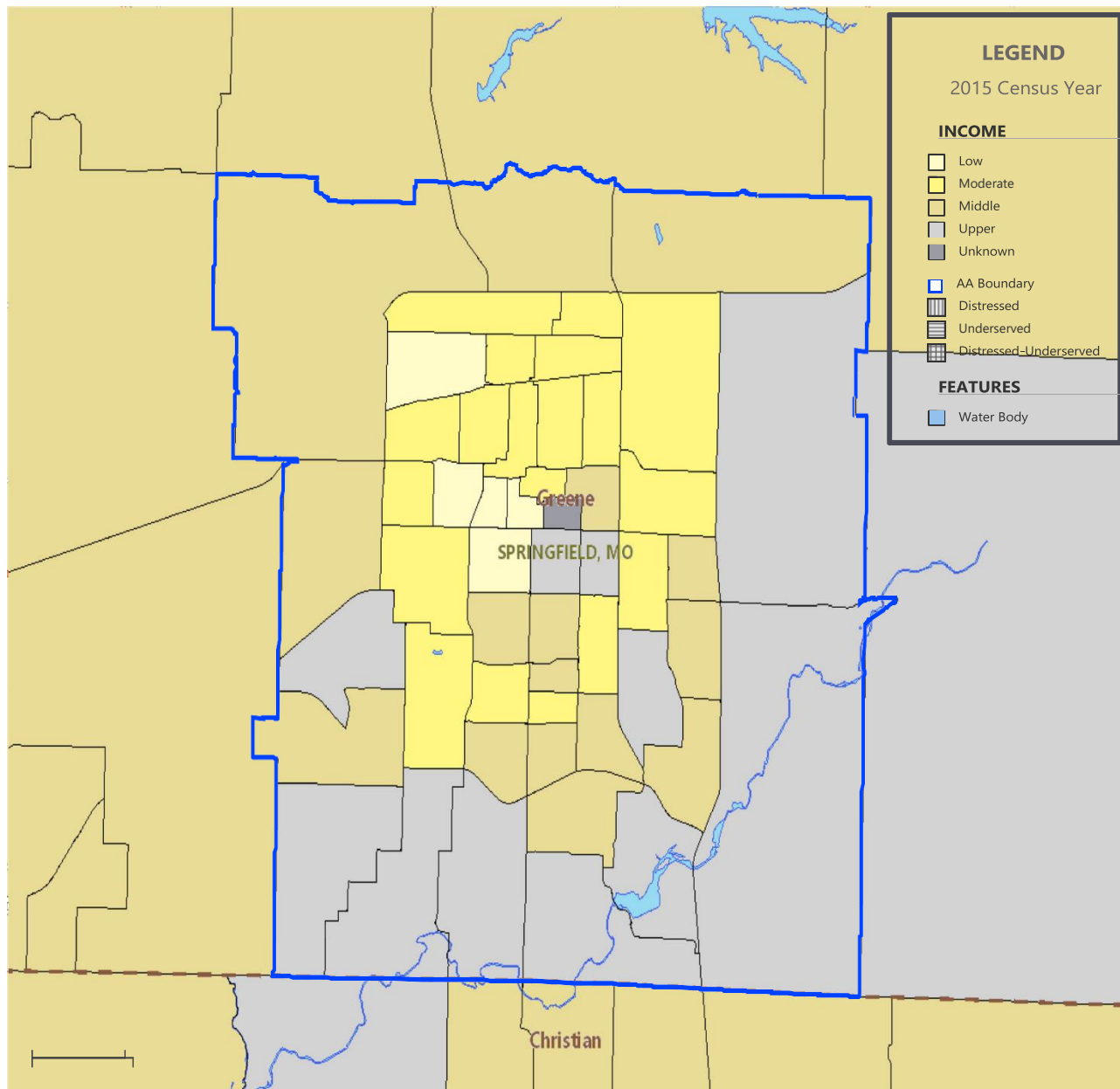
growth through economic development organizations, affordable housing, and community services for low- and moderate-income families. in addition to community development services, a branch location is maintained within a moderate-income census tract and allows the bank to serve that area effectively.

| Summary of CD Activities, Review Period 10/24/2016 – 01/20/2020 | | | | | | | | | | |
|---|--------------------|-------------|----------------------|-------------|--------------------------------------|--------------|--------------------|----------|--------|--------------|
| Type of Activity | Affordable Housing | | Economic Development | | Activities that Revitalize/Stabilize | | Community Services | | Totals | |
| | # | \$/Hours | # | \$/Hours | # | \$/Hours | # | \$/Hours | # | \$/Hours |
| Lending | 2 | \$4,087,708 | 1 | \$1,240,000 | 16 | \$58,500,519 | 0 | | 19 | \$63,828,227 |
| Investment | 0 | 0 | 0 | 0 | 6 | \$1,220,000 | 0 | | 6 | \$1,220,000 |
| Donations | 4 | \$5,250 | 2 | \$5,000 | 0 | 0 | 60 | \$69,786 | 66 | \$80,036 |
| Services | 10 | 121 | 2 | 4 | 0 | 0 | 19 | 264 | 31 | 389 |

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Area
Springfield, MO MSA 44180



APPENDIX B – 2017 Lending Tables

| Assessment Area: 2017 Springfield, MO MSA 44180 | | | | | | | | | |
|--|---------------------------------|------------------------|------------------------------------|-------|--|-------|---------------------------|-------|--|
| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | | |
| | # | % | # | % | # | % | # | % | |
| Low-income | 5 | 9.6 | 3,596 | 6.8 | 1,359 | 37.8 | 12,179 | 22.9 | |
| Moderate-income | 19 | 36.5 | 14,929 | 28.1 | 3,367 | 22.6 | 9,972 | 18.8 | |
| Middle-income | 16 | 30.8 | 17,049 | 32.1 | 1,967 | 11.5 | 10,491 | 19.7 | |
| Upper-income | 11 | 21.2 | 17,537 | 33.0 | 787 | 4.5 | 20,510 | 38.6 | |
| Unknown-income | 1 | 1.9 | 41 | 0.1 | 20 | 48.8 | 0 | 0.0 | |
| Total Assessment Area | 52 | 100.0 | 53,152 | 100.0 | 7,500 | 14.1 | 53,152 | 100.0 | |
| | Housing Units by Tract | Housing Types by Tract | | | | | | | |
| | | Owner-Occupied | | | Rental | | Vacant | | |
| | | # | % | % | # | % | # | % | |
| Low-income | 8,670 | 2,477 | 4.8 | 28.6 | 5,134 | 59.2 | 1,059 | 12.2 | |
| Moderate-income | 34,433 | 11,618 | 22.3 | 33.7 | 18,924 | 55.0 | 3,891 | 11.3 | |
| Middle-income | 33,475 | 17,579 | 33.8 | 52.5 | 13,629 | 40.7 | 2,267 | 6.8 | |
| Upper-income | 26,576 | 20,339 | 39.1 | 76.5 | 4,992 | 18.8 | 1,245 | 4.7 | |
| Unknown-income | 777 | 16 | 0.0 | 2.1 | 628 | 80.8 | 133 | 17.1 | |
| Total Assessment Area | 103,931 | 52,029 | 100.0 | 50.1 | 43,307 | 41.7 | 8,595 | 8.3 | |
| | Total Businesses by Tract | | Businesses by Tract & Revenue Size | | | | | | |
| | | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | # | % | # | % | # | % | # | % | |
| Low-income | 328 | 3.8 | 281 | 3.8 | 46 | 4.1 | 1 | 2.5 | |
| Moderate-income | 3,323 | 38.6 | 2,703 | 36.4 | 601 | 53.2 | 19 | 47.5 | |
| Middle-income | 2,883 | 33.5 | 2,549 | 34.3 | 323 | 28.6 | 11 | 27.5 | |
| Upper-income | 2,024 | 23.5 | 1,859 | 25.0 | 156 | 13.8 | 9 | 22.5 | |
| Unknown-income | 45 | 0.5 | 41 | 0.6 | 4 | 0.4 | 0 | 0.0 | |
| Total Assessment Area | 8,603 | 100.0 | 7,433 | 100.0 | 1,130 | 100.0 | 40 | 100.0 | |
| | Percentage of Total Businesses: | | | 86.4 | | | 13.1 | | |
| | Total Farms by Tract | | Farms by Tract & Revenue Size | | | | | | |
| | | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | # | % | # | % | # | % | # | % | |
| Low-income | 1 | 1.6 | 1 | 1.7 | 0 | 0.0 | 0 | 0.0 | |
| Moderate-income | 17 | 27.9 | 15 | 25.4 | 2 | 100.0 | 0 | 0.0 | |
| Middle-income | 16 | 26.2 | 16 | 27.1 | 0 | 0.0 | 0 | 0.0 | |
| Upper-income | 26 | 42.6 | 26 | 44.1 | 0 | 0.0 | 0 | 0.0 | |
| Unknown-income | 1 | 1.6 | 1 | 1.7 | 0 | 0.0 | 0 | 0.0 | |
| Total Assessment Area | 61 | 100.0 | 59 | 100.0 | 2 | 100.0 | 0 | 0.0 | |
| | Percentage of Total Farms: | | | 96.7 | | | 3.3 | | |
| 2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS | | | | | | | | | |
| Note: Percentages may not add to 100.0 percent due to rounding | | | | | | | | | |

| Geographic Distribution of HMDA Reportable Loans | | | | | | | | |
|--|---------------------|-------------------------------------|-------|-------|----------------|-------|----------|---------------------------|
| Assessment Area: 2017 Springfield, MO MSA 44180 | | | | | | | | |
| Product Type | Tract Income Levels | Bank & Aggregate Lending Comparison | | | | | | Owner Occupied % of Units |
| | | 2017 | | | | | | |
| | | Count | | Agg % | Dollar | | Agg \$ % | |
| | | Bank # | % | | Bank \$ (000s) | % | | |
| Home Purchase | Low | 2 | 1.5 | 4.9 | 142 | 0.6 | 2.2 | 4.8 |
| | Moderate | 23 | 16.8 | 21.7 | 1,941 | 8.0 | 13.8 | 22.3 |
| | Middle | 42 | 30.7 | 36.2 | 5,819 | 24.1 | 32.9 | 33.8 |
| | Upper | 70 | 51.1 | 37.1 | 16,214 | 67.2 | 51.0 | 39.1 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 137 | 100.0 | 100.0 | 24,116 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 0 | 0.0 | 4.6 | 0 | 0.0 | 2.1 | 4.8 |
| | Moderate | 3 | 9.7 | 21.4 | 727 | 13.2 | 17.2 | 22.3 |
| | Middle | 16 | 51.6 | 31.7 | 2,562 | 46.5 | 28.3 | 33.8 |
| | Upper | 12 | 38.7 | 42.2 | 2,225 | 40.4 | 52.5 | 39.1 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 31 | 100.0 | 100.0 | 5,514 | 100.0 | 100.0 | 100.0 |
| Home Improvement | Low | 0 | 0.0 | 5.8 | 0 | 0.0 | 3.5 | 4.8 |
| | Moderate | 0 | 0.0 | 24.1 | 0 | 0.0 | 16.3 | 22.3 |
| | Middle | 2 | 66.7 | 35.4 | 126 | 62.7 | 32.6 | 33.8 |
| | Upper | 1 | 33.3 | 34.7 | 75 | 37.3 | 47.7 | 39.1 |
| | Unknown | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| | Total | 3 | 100.0 | 100.0 | 201 | 100.0 | 100.0 | 100.0 |
| Multi-Family | Low | 0 | 0.0 | 6.4 | 0 | 0.0 | 1.1 | Multi-Family 10.0 |
| | Moderate | 1 | 25.0 | 27.7 | 5,309 | 26.9 | 13.8 | |
| | Middle | 1 | 25.0 | 38.3 | 155 | 0.8 | 39.0 | |
| | Upper | 2 | 50.0 | 17.0 | 14,280 | 72.3 | 43.5 | |
| | Unknown | 0 | 0.0 | 10.6 | 0 | 0.0 | 2.5 | |
| | Total | 4 | 100.0 | 100.0 | 19,744 | 100.0 | 100.0 | 100.0 |
| HMDA Totals | Low | 2 | 1.1 | 4.9 | 142 | 0.3 | 2.1 | 4.8 |
| | Moderate | 27 | 15.4 | 21.8 | 7,977 | 16.1 | 14.7 | 22.3 |
| | Middle | 61 | 34.9 | 35.0 | 8,662 | 17.5 | 32.3 | 33.8 |
| | Upper | 85 | 48.6 | 38.3 | 32,794 | 66.2 | 50.6 | 39.1 |
| | Unknown | 0 | 0.0 | 0.1 | 0 | 0.0 | 0.3 | 0.0 |
| | Total | 175 | 100.0 | 100.0 | 49,575 | 100.0 | 100.0 | 100.0 |
| Originations & Purchases | | | | | | | | |
| 2017 FFIEC Census Data | | | | | | | | |
| Note: Percentages may not add to 100.0 percent due to rounding | | | | | | | | |

| Borrower Distribution of HMDA Reportable Loans | | | | | | | | |
|--|---------------------------|-------------------------------------|-------|--------|----------|-------|-------|-----------------------------------|
| Assessment Area: 2017 Springfield, MO MSA 44180 | | | | | | | | |
| Product Type | Borrower Income Levels | Bank & Aggregate Lending Comparison | | | | | | Families by Family Income % |
| | | 2017 | | | | | | |
| | | Count | | Dollar | | | | |
| | | Bank | Agg | Bank | Agg | | | |
| | | # | % | % | \$(000s) | \$ % | \$ % | |
| Home Purchase | Low | 9 | 6.6 | 6.1 | 732 | 3.0 | 3.3 | 22.9 |
| | Moderate | 17 | 12.4 | 18.6 | 2,160 | 9.0 | 13.3 | 18.8 |
| | Middle | 29 | 21.2 | 17.4 | 4,269 | 17.7 | 15.6 | 19.7 |
| | Upper | 69 | 50.4 | 33.8 | 14,450 | 59.9 | 44.5 | 38.6 |
| | Unknown | 13 | 9.5 | 24.1 | 2,505 | 10.4 | 23.2 | 0.0 |
| | Total | 137 | 100.0 | 100.0 | 24,116 | 100.0 | 100.0 | 100.0 |
| Refinance | Low | 1 | 3.2 | 5.6 | 42 | 0.8 | 2.6 | 22.9 |
| | Moderate | 4 | 12.9 | 13.4 | 428 | 7.8 | 7.9 | 18.8 |
| | Middle | 3 | 9.7 | 15.7 | 388 | 7.0 | 11.4 | 19.7 |
| | Upper | 20 | 64.5 | 35.8 | 3,456 | 62.7 | 43.9 | 38.6 |
| | Unknown | 3 | 9.7 | 29.5 | 1,200 | 21.8 | 34.2 | 0.0 |
| | Total | 31 | 100.0 | 100.0 | 5,514 | 100.0 | 100.0 | 100.0 |
| Home Improvement | Low | 0 | 0.0 | 6.5 | 0 | 0.0 | 3.4 | 22.9 |
| | Moderate | 0 | 0.0 | 16.0 | 0 | 0.0 | 10.3 | 18.8 |
| | Middle | 1 | 33.3 | 22.8 | 117 | 58.2 | 21.3 | 19.7 |
| | Upper | 2 | 66.7 | 40.8 | 84 | 41.8 | 45.5 | 38.6 |
| | Unknown | 0 | 0.0 | 13.9 | 0 | 0.0 | 19.5 | 0.0 |
| | Total | 3 | 100.0 | 100.0 | 201 | 100.0 | 100.0 | 100.0 |
| Multi-Family | Low | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 22.9 |
| | Moderate | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 18.8 |
| | Middle | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 19.7 |
| | Upper | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 38.6 |
| | Unknown | 4 | 100.0 | 100.0 | 19,744 | 100.0 | 100.0 | 0.0 |
| | Total | 4 | 100.0 | 100.0 | 19,744 | 100.0 | 100.0 | 100.0 |
| HMDA Totals | Low | 10 | 5.7 | 5.9 | 774 | 1.6 | 2.8 | 22.9 |
| | Moderate | 21 | 12.0 | 17.0 | 2,588 | 5.2 | 10.5 | 18.8 |
| | Middle | 33 | 18.9 | 17.1 | 4,774 | 9.6 | 13.0 | 19.7 |
| | Upper | 91 | 52.0 | 34.4 | 17,990 | 36.3 | 39.8 | 38.6 |
| | Unknown | 20 | 11.4 | 25.7 | 23,449 | 47.3 | 33.8 | 0.0 |
| | Total | 175 | 100.0 | 100.0 | 49,575 | 100.0 | 100.0 | 100.0 |
| Originations & Purchases | | | | | | | | |
| 2017 FFIEC Census Data | | | | | | | | |
| Note: Percentages may not add to 100.0 percent due to rounding | | | | | | | | |

APPENDIX C – Scope of Examination

| SCOPE OF EXAMINATION | | | |
|--|---|------------------|-------------------------------------|
| | | | |
| TIME PERIOD REVIEWED | There are different time periods for lending and community development activities <ul style="list-style-type: none"> HMDA-Reportable – 1/1/17-12/31/18 Small Business- 1/1/18- 12/31/18 | | |
| | | | |
| FINANCIAL INSTITUTION | | | PRODUCTS REVIEWED |
| Springfield First Community Bank | | | HMDA – Reportable Small Business |
| | | | |
| AFFILIATE(S) | AFFILIATE RELATIONSHIP | | PRODUCTS REVIEWED |
| None | | | |
| | | | |
| LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION | | | |
| ASSESSMENT AREA | TYPE OF EXAMINATION | BRANCHES VISITED | OTHER INFORMATION |
| Missouri <ul style="list-style-type: none"> Springfield, MO MSA - 44180 | Full scope review | None | None |

APPENDIX D – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.³

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

³ Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories of loans: motor vehicle, credit card, other consumer secured loan, including a home improvement loan not secured by a dwelling, and other consumer unsecured loan, including a loan for home improvement not secured.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into "male householder" (a family with a male household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

- 1) Low-income – an individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a census tract;
- 2) Moderate-income – an individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a census tract;

- 3) Middle-income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office (LPO): This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (MSA) or a metropolitan division (MD) as

defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).